Altia Denmark A/S

Bredevej 2 C st

2830 Virum

CVR No. 11575935

Annual Report 2015

1 January - 31 December

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 21 March 2016

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Thomas Erik Johannes Heinonen
Chairman

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Altia Denmark A/S

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Altia Denmark A/S for the financial year 1 January 2015 - 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January 2015 - 31 December 2015.

In our opinion, the Management's review includes a fair review of the development in the Company's operations and its financial position.

We recommend that the Annual Report be approved at the annual general meeting.

Lyngby, 21 March 2016

Executive Board

Troels Erik Husfeldt
CEO

Board of Directors

Thomas Erik Johannes Heinonen Chairman	Veli-Matti Juhani Piri	Hannu Mikeal Tuominen

Independent auditors' report

To the shareholder of Altia Denmark A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Altia Denmark A/S for the financial year 1 January 2015 - 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and the results of its operations for the financial year 1 January 2015 - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 21 March 2016

KPMG

Statsautoriseret Revisionspartnerselskab

CVR No. 25 57 81 98

David Olafsson

State Authorised Public Accountant

Company details

Company	Altia Denmark A/S Bredevej 2 C st 2830 Virum
Telephone	88803600
CVR No.	11575935
Date of formation	1 November 1987
Registered office	Lyngby-Tårbæk
Financial year	1 January 2015 - 31 December 2015
Supervisory Board	Thomas Erik Johannes Heinonen, Chairman Veli-Matti Juhani Piri Hannu Mikeal Tuominen
Executive Board	Troels Erik Husfeldt, CEO
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Danpfærgevej 28 2100 København Ø CVR-no.: 25578198

Operating review

Principal activities of the Company

The principal activities of Altia Denmark A/S are marketing and sale of wine and spirits products owned by the Altia Group. Before year 2015 the main activities were also bottling of own as well as external wine and spirits products.

Contract manufacturing was discontinued according to plan in the second quarter of the year 2015.

Uncertainties regarding recognition and measurement of intangible assets, land and buildings

Intangible assets
As described in the Accounting policies page 12 the carrying amount of intangible assets are subject to an annual test for indications of impairment. Management has conducted this test for the trade marks acquired in june 2013.

The net recoverable value has been calculated on a fair value assumption based upon forecasted future cash flows generated from the trademarks in a 5 year forecast period (DCF-model).

The WACC applied amounts to 5,9% (2014: 10%). Sensitivity analyses show that when applying the cash flow forecast assumptions a change in the applied WACC by +/- 1% point will have an impact of approx. DKK 16,5 million (2014: DKK 14,1 million).

The forecasts, on which the recoverable amount is calculated, are by nature subject to an inherent risk for changes in business conditions and specific market conditions. Management has calculated that every 1% change in terminal year ebit will have an impact of approx. DKK 2,7 million (2014: DKK 3,4 million).

Annual impairment testing did not indicate any need to recognize impairment losses. In the comparison year, DKK 23,8 million impairment losses were recognized.

Management estimates that the carrying amount at 31 December 2015 is supported by the plans for use and marketing of the trade marks. The impairment test will be repeated at the end of 2016. y the plans for use and marketing of the trade marks. The impairment test will be repeated at the end of 2016.

Land and Buildings
Due to the performed restructuring and the contemplated discontinuation of the bottling activities in Svendborg, measurement of land and buildings is subject to material uncertainty. Efforts to sell land and buildings through an external real estate agent have been commenced. As a result of the material uncertainty, final realisation of land and buildings may result in a profit or loss, which will be included in the income statement at the date when the assets are sold.

Development in activities and financial position

Annual turnover amounts to DKK 191,6 million compared to DKK 316,6 millionlast year, and profit for the year after tax amounts to DKK 26,8 milllion compared to DKK 4,6 milion last year.

In 2014 it was decided that contractual bottling of spirits was discontinued during 2015 and the result for 2015 is substantially effected by the lower activity.
Management considers this years result to be satisfactory and in line with expectations.

Management's Review

Currently a significant portion of Svendborg logistics center's volumes are external volumes. External partners have recently made the decision that the current logistics agreements will not be prolonged but they shall expire at the end of April 2016. Due to this significant change in the logistic volumes Altia Denmark are forced to start actions to adjust the capacity and amount of personnel.

Revenue in 2016 is expected to show a decline compared to 2015 as a result of the expected discontinued logistic agreements. The year's profit is expected to be positive.

Intellectual capital

The Company's primary activities comprise contract bottling, distribution and sale of wine and spirits. These activities are subject to several strict control procedures and requirements under the International IFS standard and the Danish food legislation.

In order to ensure the best products possible, Altia applies modern and automated procedures for bottling and packaging. This implies a high level of knowledge and qualifications in the organisation, which is ensured on an ongoing basis through investments in the maintenance of the necessary intellectual capacity through internal courses and training.

Particular risks

Results, cash flows and equity are affected by the development of the exchange rates of various currencies due to the Company's activities in connection with purchase and sale abroad. It is Group policy to hedge currency risks to a certain extent by entering into forward exchange contracts.

The Company does not engage in speculative currency positions.

Financial risks

The Company is only exposed to changes in the interest rate level to a limited extent due to its solidity and financial resources. However, the Company is exposed to currency risks insofar as the ongoing operations are concerned.

Credit risks

The Company's credit risks are primarily related to financial assets recognised in the balance sheet. There are no significant risks associated with an individual customer or partner.

Environmental issues

Altia Denmark A/S is an environmentally conscious company, where the environment is considered in all procedures and in the day-to-day operations. Since 2006, Altia Denmark, Svendborg, has possessed an ISO 14001 certification, and in this connection, the Company has prepared an environmental policy which among other things says:"To protect the environment is a guiding principle for us, and we continuously attempt to minimise our impact on the environment."

The Company's environmental goals are aimed at energy savings (electricity, natural gas and water), utilisation of the Company's waste (recycling) and at the Company's waste water.

Altia Denmark, Svendborg, is a member of the Industrial Environment Club, Funen, and prepares an environment report in this respect once every two years.

Management's Review

Corporate Social Responsibility and diversity in management

Corporate Social Responsibility
The Company works with Corporate Social Responsibility as an integral part of the Altia Group. This Corporate Social Responsibility is expressed in the Altia Group's "Responsibility Report 2015" with deep link http://responsibilityreport.altiacorporation.com/.
For this reason the Company does not prepare its own separate report.

Diversity in management
Altia Denmark A/S believes that diversity among the employees, including equal gender representation, has a positive effect on the working environment and strengthens the Company's performance and competitiveness.

Altia Denmark A/S works towards increasing the number of women in management positions in the Company, and on this basis, starting last year, the Company has set specific target figures for the share of the underrepresented gender and prepared policies in this respect.

Altia Denmark A/S's goal is for 33% of the board members elected at the general meeting to be women, corresponding to 1 woman, and that 33% of the remaining management positions, corresponding to 3 women, are to be held by women before 2018. The target level is determined in order to be at least at the same level as that of the industry in which Altia Denmark A/S operates. Currently, none of the members of the Board of Directors are women. Other management positions are the Executive Board and the mangers of the respective departments and functions. The target have not yet been reached.

In order to reach the above target of more women in management positions, Altia Denmark A/S is planning initiatives that will further this development and support women in management positions. In connection with hiring and recruitment for management positions, the goal is to attract both male and female candidates. The principle applies to internal as well as external job postings.

Financial highlights

DKKm	2015	2014	2013	2012	2011
Revenue	192	317	617	625	625
Ordinary operating profit/loss	36	-6	-89	47	34
Net financial income and expenses	0	-2	-3	-6	-4
Profit/loss for the year	27	5	-79	31	23
Total fixed assets	73	78	110	143	138
Current assets	162	173	267	262	275
Total assets	235	251	377	405	412
Investment in non-current assets	0	0	26	37	10
Contributed capital	1	1	1	1	1
Total equity	133	106	102	180	149
Long-term liabilities	0	0	164	120	160
Operating margin (%)	18,75	-1,75	-14,36	7,50	5,50
Solvency ratio (%)	56,59	42,30	26,96	44,20	35,40
Return on equity (ROE) (%)	22,59	4,44	-56,03	18,80	16,50
Avg. number of full-time employees	62	98	163	183	198

For definitions of key ratios, see Accounting and Valuation Principles

Accounting Policies

The annual report of Altia Denmark A/S for 2015 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

With reference to section 86 (4) of the Danish Financial Statement Act, Altia Denmark A/S has not prepared a cash flow statement.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets and liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects profit or loss.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement on a regular basis.

Business combinations

Enterprises acquired or formed during the year are recognised in the financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the income statement until the date of disposal. The comparative figures are not adjusted for acquisitions or disposals.

Gains or losses on disposal of subsidiaries and associates are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated disposal costs.

Acquisitions of enterprises are accounted for using the acquisition method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, not exceeding 20 years. Any excess of the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition (negative goodwill), representing an anticipated adverse development in the acquired enterprises, is recognised in the balance sheet as deferred income and recognised in the income statement as the adverse development is realised.
Negative goodwill not related to any anticipated adverse development is recognised in the balance sheet at an amount corresponding to the fair value of non-monetary assets. The amount is subsequently recognised in the income statement over the average useful lives of the non-monetary assets.

Accounting Policies

Goodwill and negative goodwill from acquired enterprises can be adjusted until the end of the year following the year of acquisition.

Intra-group business combinations

In connection with business combinations such as acquisition and disposal of equity investments, mergers, demergers, addition of assets and exchange of shares, etc., involving enterprises controlled by the parent company, the uniting-of-interests method is used. Differences between the agreed consideration and the carrying amount of the acquired enterprise are recognised in equity. Moreover, comparative figures for previous financial years are restated.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex. VAT and taxes charged on behalf of third parties.
Revenue is measured at fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Other operating income and expenses

Other operating income comprises items secondary to the activities of the Company, including gains on disposal of intangible assets and property, plant and equipment.

External costs

Other external costs comprise travel expenses, rent, car lease, etc.

Staff costs

Staff costs comprise wages and salaries and other social security costs to the Company's employees.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss

Tax for the year comprises current tax for the year and changes in deferred tax – including as a result of changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Accounting Policies

Balance sheet

Intangible assets

Trademarks are measured at cost less accumulated amortisation and impairment losses. Trademarks are amortised on a straight-line basis over the remaining licence period, although not exceeding 15 years.

Gains and losses on the disposal of trademarks are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, subsuppliers, and wages and salaries.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Buildings	10-20 years
Plant and machinery	6-10 years
Fixtures and fittings, tools and equipment	3-6 years

Depreciation is recognised in the income statement as depreciation and impairment losses.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as othe operating income or other operating costs, respectively.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by amortisation or depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net cash flows from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Accounting Policies

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in the cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

Cash at bank and in hand

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less that are readily convertible to cash and are subject to an insignificant risk of changes in value.

Equity - dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date).
The expected dividend payment for the year is disclosed as a separate item under equity.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Accounting Policies

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2010".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin $\frac{\text{Operating profit x 100}}{\text{Revenue}}$

Solvency ratio $\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$

Return on equity $\frac{\text{Profit from ordinary activities after tax x 100}}{\text{Average equity}}$

Segment information

Segment information is based on the Company's accounting policies, risks and internal financial management.

Income Statement

	Note	2015 DKK'000	2014 DKK'000
Revenue	1	191.572	316.621
Change in inventories of finished goods and work in progress		-122.278	-237.389
Other operating income	2	26.289	39.238
External costs		-21.077	-33.571
Gross profit		**74.506**	**84.899**
Staff costs	3	-33.747	-59.740
Depreciation, amortisation and impairment losses	4	-5.095	-30.711
Ordinary operating profit/loss		**35.664**	**-5.552**
Financial income	5	242	1.672
Financial expenses	6	-418	-3.565
Profit/loss before tax		**35.488**	**-7.445**
Tax on profit from ordinary activities	7	-8.704	12.051
Profit/loss for the year		**26.784**	**4.606**
Proposed distribution of earnings			
Retained earnings		26.784	4.606
		26.784	**4.606**

Altia Denmark A/S

Balance Sheet as of 31. December

	Note	2015 DKK'000	2014 DKK'000
ASSETS			
Non-current assets			
Intangible assets			
Trademarks	8	57.733	62.773
		57.733	**62.773**
Land and buildings	9	14.918	14.918
Plant and machinery	9	500	84
		15.418	**15.002**
Total non-current assets		**73.151**	**77.775**
Current assets			
Inventories			
Raw materials and consumables		2.409	9.005
Work in progress		0	1.035
Finished goods and goods for resale		14.620	13.949
		17.029	**23.989**
Receivables			
Trade receivables		45.665	66.939
Amounts owed by group enterprises		39.227	9.135
Other receivables		52.513	58.360
Deferred tax asset	10	7.089	13.285
Prepayments		529	1.333
		145.023	**149.052**
Cash at bank and in hand		**106**	**65**
Total current assets		**162.158**	**173.106**
TOTAL ASSETS		**235.309**	**250.881**

Balance Sheet as of 31. December

	Note	2015 DKK'000	2014 DKK'000
EQUITY AND LIABILITIES			
Equity			
Share capital		680	680
Retained earnings		132.237	105.453
Total equity	11	**132.917**	**106.133**
Provisions			
Provisions for deferred tax	10	1.554	16
		1.554	**16**
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		7.696	10.113
Amounts owed to group enterprises		69.108	94.804
Other payables		24.034	39.815
Current liabilities other than provisions		**100.838**	**144.732**
Total liabilities other than provisions		**100.838**	**144.732**
TOTAL EQUITY AND LIABILITIES		**235.309**	**250.881**

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1. Segment information

Activities - primary segment

Revenue

DKK'000	Domestic market	Export market	**Total**
2015	129.899	61.673	**191.572**
2014	177.952	138.669	**316.621**

The business segments and the geographical segments do not differ among themselves.

2. Other operating income

DKK'000	**2015**	**2014**
Other operating income	302	106
Exit Tax compensation Finland	25.987	39.132
	26.289	**39.238**

Exit tax compensation cover the restructuring compensation expected paid by Altia Plc. to Altia Denmark A/S compensating for realized cost of closing down Danish bottling activities.

Other operating income relates to profit on disposal of non-current assets.

3. Employee benefits expense

DKK'000		
Wages and salaries	29.756	53.646
Pensions	3.172	4.294
Other social security cocts	819	1.800
	33.747	**59.740**
Average number of full-time employees	62	98

At the end of 2015, the total number of full-time employees is 45.

With reference to section 98b (3) of the Danish Financial Statements Act, remuneration of the Executive Board and the Board of Directors is not disclosed.

4. Depreciation, amortisation and impairment losses

DKK'000		
Trademarks	5.040	30.601
Plant and machinery	55	110
	5.095	**30.711**

5. Financial income

DKK'000		
Foreign exchange gains	238	1.608
Other financial income	4	64
	242	**1.672**

Notes

6. Financial expenses

DKK'000	**2015**	**2014**
Finance expenses arising from group enterprises	0	-1.582
Foreign exchange losses	-355	-1.888
Other financial expenses	-63	-95
	-418	**-3.565**

7. Tax on profit from ordinary activities

DKK'000		
Tax for the year	-970	0
Adjustment of deferred tax for the year	-7.734	13.269
Adjustment of tax regarding previous years	0	-1.218
	-8.704	**12.051**

8. Intangible assets

DKK'000	Trademarks	**Software**	**Total**
Cost at 1 January 2015	112.535	50	112.585
Additions during the year	0	0	0
Disposals during the year	0	0	0
Cost at 31 December 2015	112.535	50	112.585
Impairment losses and depreciation at 1 January 2015	49.762	50	49.812
Depreciation	5.040	0	5.040
Impairment losses	0	0	0
Disposals	0	0	0
Impairment losses and depreciation at 31 December 2015	54.802	50	54.852
Carrying amount at 31 December 2015	57.733	0	57.733

9. Property, plant and equipment

DKK'000	**Land and buildings**	**Plant and machinery**	**Total**
Cost at 1 January 2015	81.841	90.019	171.860
Additions during the year	0	471	471
Disposals during the year	0	0	0
Cost at 31 December 2015	81.641	90.490	172.331
Impairment losses and depreciation at 1 January 2015	66.923	89.935	156.858
Depreciation	0	55	55
Impairment losses	0	0	0
Disposals	0	0	0
Impairment losses and depreciation at 31 December 2015	66.923	89.990	156.913
Carrying amount at 31 December 2015	14.918	500	15.418

Notes

10. Provisions for deferred tax

DKK'000	2015	2014
Deferred tax at 1 January	13.269	0
Deferred tax asset, adjustment for the year	-6.196	13.285
Deferred tax liability, adjustment for the year	-1.538	-16
Deferred tax at 31 December	**5.535**	**13.269**

Provision for deferred tax relates to:		
Intangible assets	-1.554	1024
Property, plant and equipment	6.702	10.394
Current assets	0	-16
Provisions	-387	1.672
Roll over loss	0	195
	5.535	**13.269**

11. Equity

DKK'000

	Share capital	Retained earnings	Total
Equity at 1 January 2015	680	105.453	106.133
Transferred, cf. profit appropriation		26.784	26.784
Equity at 31 December 2015	**680**	**132.237**	**132.917**

The share capital comprises shares of DKK 1,000 each or a multiple thereof. All shares rank equally.

Changes in the share capital over the last 5 years are specified as follows

	2015	2014	2013	2012	2011
Share capital 1 January	680	680	680	680	680
Cash capital increase	0	0	0	0	0
Share capital 31 December	**680**	**680**	**680**	**680**	**680**

12. Related party disclosures

Altia Denmark A/S' related parties comprise the following:

Parties exercising control

Altia Oyj, Finland (parent company) holds the majority of the share capital in the Company.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the voting rights or minimum 5% of the share capital:

Altia Oyj, Finland (parent company)
The consolidated financial statements of Altia Oyj are available at the Company's address or on the website www.altiacorporation.com.

Notes

13. Uncertainties regarding recognition and measurement of intangible assets, land and buildings

Intangible assets
As described in the Accounting policies page 12 the carrying amount of intangible assets are subject to an annual test for indications of impairment. Management has conducted this test for the trade marks acquired in june 2013.

The net recoverable value has been calculated on a fair value assumption based upon forecasted future cash flows generated from the trademarks in a 5 year forecast period (DCF-model).

The WACC applied amounts to 5,9% (2014: 10%). Sensitivity analyses show that when applying the cash flow forecast assumptions a change in the applied WACC by +/- 1% point will have an impact of approx. DKK 16,5 million (2014: DKK 14,1 million).

The forecasts, on which the recoverable amount is calculated, are by nature subject to an inherent risk for changes in business conditions and specific market conditions. Management has calculated that every 1% change in terminal year ebit will have an impact of approx. DKK 2,7 million (2014: DKK 3,4 million).

Annual impairment testing did not indicate any need to recognize impairment losses. In the comparison year, DKK 23,8 million impairment losses were recognized.

Management estimates that the carrying amount at 31 December 2015 is supported by the plans for use and marketing of the trade marks. The impairment test will be repeated at the end of 2016.

Land and Buildings
Due to the performed restructuring and the contemplated discontinuation of the bottling activities in Svendborg, measurement of land and buildings is subject to material uncertainty. Efforts to sell land and buildings hrough an external real estate agent have been commenced. As a result of the material uncertainty, final realisation of land and buildings may result in a profit or loss, which will be included in the income statement at the date when the assets are sold.

14. Contractual obligations and contingencies, etc

Contingent liabilities

DKK´000	2015	2014
Next year	2.408	2.202
2-5 years	2.250	2.768
	4.658	4.970

Operating leases relate to rental and lease commitments that are not recognised in the balance sheet

15. Mortgages and collateral

None